श्री प्रेम गुप्ता : सभापति महोदय, मेरे कहने का मतलब यह है...।

श्री सभापति : आपकी हाज़िरी बजाई या नहीं ? आप क्यों शिकायत कर रहे हो ?

श्री प्रेम गुप्ता : सभापति महोदय, मुझे तभी पता चला कि यह चक्कर यहां भी है। ...(**व्यवधान**)...सभापति महोदय, आज यह काम तो इंटरनेट के जरिए से हो सकता है।

श्री सभापति : आपका क्वेश्चन हो गया।

श्री प्रेम गुप्ता : अब कम्युनिकेशन सिस्टम काफी डेवलप हो गया है। इसलिए आप आफिसेज बनाने के बजाय पैसे को यहीं से गेनफुली यूज़ करें तो इसमें क्या हर्ज़ है ?

SHRI JAGMOHAN : We are making full use of Internet. But, these offices are required to communicate with the various travel agents, tour operators and other bodies. They are mobiles. And, Sir, Frankfurt does not cover only Germany. It does cover a quiet good portion of the Western Europe. Therefore, these offices are needed. Even otherwise, we are revamping the Department of Tourism as well as the Department of Culture and we will make these offices more effective ...*(Interruptions)*. I had been to Frankfurt. They are doing useful work there by sending quite a number of tourists from there. And, only in the last month, we had a very successful Berlin Festival there.

MR. CHAIRMAN: Question No. 630.

DR. FAROOQ ABDULLAH : Sir, it is a very important issue.

श्री सभापति : इम्पोर्टेंट क्वेश्चन की बात नहीं है। देखिए, मुझे दूसरे मेम्बर्स का ध्यान रखना है जिन्होंने क्वेश्चन दिए हुए हैं।

DR. FAROOQ ABDULLAH : Sir, the hon. Minister, as a promoter of tourism, has to take steps to promote tourism in Kashmir... *(Interruptions)*...

श्री सभापति : आप यह अच्छा नहीं कर रहे हैं।

DR. FAROOQ ABDULLAH : Sir, my problem is that foreign embassies are not working in that manner. We are not doing anything in foreign embassies because they are telling the people not to go. So, I would like to know from the hon. Minister what his Ministry is doing about that.

Special provisions for small investors

*630 SHRI LALIT SURI : Will the Minister of FINANCE be pleased to state :

(a) whether, in view of reduction in interest rates over the years Government propose to amend the relevant rules, to make various post office schemes and the PPF less stringent and attractive for the small investors and also by making special provisions in these rules for Senior Citizens with additional benefits; and

(b) if so, by when this work is likely to be taken up and completed ?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH) : (a) and (b) A Statement is laid on the Table of the House.

Statement

On the basis of the recommendation of an Expert Group, Government has reviewed and rationalised the rates of interest on small savings schemes, including PPF, to make them market determined. The small savings schemes continue to be attractive for small investors, including senior citizens, in view of their risk free returns, easy accessibility, liquidity and income tax benefits. Government has also announced a new scheme guaranteeing an assured return of nine per cent per annum for citizens above 55 years of age. Commercial banks also offer higher interest rates on fixed deposits of senior citizens.

SHRI LALIT SURI : Mr. Chairman, Sir, I am happy to learn by the statement given by the hon. Minister that the senior citizens are being looked after by special schemes. Special rates of interest are being given to them. My question is: The rate of interest given on the Post Office Monthly Income Scheme, which was established in 1987, at that time, was 14 per cent; and, if there was a premature withdrawal, then, the penalty was 5 per cent. Now, when the rate of interest has gone down to about 8 per cent, the penalty still remains 5 per cent. Is there any scheme to make that more realistic ?

SHRI JASWANT SINGH : These rates of interest have been fixed on the recommendation of an expert committee. They are market-determined. If the hon. Member has any specific suggestion, as in this case, we would look into the whole issue.

SHRI LALIT SURI : Sir, my second supplementary is that when the payment is made in the Public Provident Fund, it has to be made by the fifth of every month. And, if it is made on sixth, then, the whole interest of that month is not taken into account; whereas, in the case of saving bank accounts, it is payable by the tenth of every month. So, is it possible, in

this case also, to make it payable by tenth of every month instead of fifth, as it is in the case of saving bank accounts?

SHRI JASWANT SINGH : Sir, there is this suggestion; we will examine it.

SHRI SWARAJ KAUSHAL: Sir, the hon. Minister has reduced the rate of interest on small savings, like the PPF, and so on and so forth. The lower interest rate regime is quite justified in the cases where there is some social security system. In India, there is nothing like a social security system. What I want to know from the hon. Minister is: Does he propose to come forward with some pension scheme to provide some hope, some livelihood to people who are retired, who are aged, because the lower rate of interest means a lower return on all their life- time savings? Even if you do not have even a pension scheme, what is the justification in going in for lower interest rate regime? Are you coming forward with a pension for the aged and the old?

SHRI JASWANT SINGH: Sir, as the hon. Member knows, a pension scheme has already been announced. *(Interruptions)* Sorry !

SHRI SWARAJ KAUSHAL: Yes, the maximum is Rs. 2000.

SHRI JASWANT SINGH: Sir, the hon. Member says that the return per month is Rs. 2000. We have introduced the scheme to test its viability, and the response to it. I can assure the hon. Member that in addition to the 9 per cent interest rate, which we have given for senior citizens from 55 plus, there are, now, bonds of the Unit Trust at 6.5 per cent. We have a pension scheme. Yes, the amount is Rs. 2000. We will see how this pension scheme works. And, if this works successfully, we will, of course, re-examine the whole thing.

SHRI S. VIDUTHALAI VIRUMBI : Sir, according to the reply given by the hon. Finance Minister, the Government has announced a new scheme guaranteeing an assured return of nine per cent per annum. In between the actual interest and the nine per cent, how the Government of India is going to balance these things? It is, at present, available for the LIC only. Will the Government of India come forward to extend the same facility, as has been provided to the LIC, to the other commercial banks also, at least, to the nationalised banks.

SHRI JASWANT SINGH: Sir, the matter has been examined by the Ministry. At the present moment, it is available only to the Life Insurance Corporation. The other insurance companies have also volunteered to participate in this

scheme. There are two issues, here. Firstly, we want to see how successfully it works with the LIC. Secondly, to the LIC the Government can compensate, what I would call, the gap in the income and expenditure of the LIC, without meeting with any criticism from my hon. colleagues here. Were I to extend the same gap filling to private insurance companies and other banks, I have some apprehension that all of you will then say that we are not doing the correct thing. So, we are, at the present moment, moving with LIC only as the vehicle for doing this. We will see how it works, and then, review the whole situation again.

*631. [The questioner (SHRI AMAR SINGH) was absent. For answer *vide* page 38 *infra.*]

*632. [The questioners (SHRI RAM JETHMALANI AND SHRI KAPIL SIBAL) were absent. For answer *vide* page 39-41 *infra.*]

NPAs of NBFCs

*633. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state :

(a) whether RBI has recently asked the Non-Banking Financial Companies to furnish information regarding Non-Performing Assets in their balance sheets;

(b) if so, the position on Non-Performing Assets of NBFCs as on 31st March, 2003;

(c) whether Government have taken any steps to ensure Non-Performing Assets of NBFCs are cleared within a stipulated period of time; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) to (d) A Statement is placed on the Table of the House.

Statement

(a) Yes, Sir.

(b) Non Performing Assets of Non-Banking Finance Companies (NBFCs) as reported by Reserve Bank of India (RBI) as on March 31, 2002 (latest available) were Rupees 3294.87 crores.

(c) and (d) Reserve Bank of India has reported that it has prescribed, as part of the prudential standards for NBFCs, the norms for provisioning against Non Performing Assets (NPAs). The provisions are to be created by NBFCs at a graded scale of percentage of the outstanding balance after the assets became